

STATE OF IOWA  
PROPERTY ASSESSMENT APPEAL BOARD

<b>Clifford Neil &amp; Carolyn Ann Morehead,</b> Petitioners-Appellants,  <b>v.</b>  <b>Jackson County Board of Review,</b> Respondent-Appellee.	<b>ORDER</b>  <b>Docket No. 12-49-0561</b> <b>Parcel No. 821725134005000</b>
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On March 4, 2013, the above captioned appeal came on for consideration before the Property Assessment Appeal Board. The appeal was conducted under Iowa Code section 441.37A(2) and Iowa Administrative Code rules 701-71.21(1) et al. The Appellants Clifford Neil & Carolyn Ann Morehead were self-represented and requested a written consideration. Jackson County Attorney Sara Davenport represented the Jackson County Board of Review. The Appeal Board having reviewed the record and being fully advised finds:

***Findings of Fact***

Clifford Neil & Carolyn Ann Morehead are the owners of a residential, single-family property located at 806 Grant Street, Maquoketa, Iowa. The property is a single-story home built in 2003 with 2136 square feet of total living area, including a full basement with 1100 square feet of finish. The home also has a 144 square-foot porch area, 492 square feet of patio area and a 728 square-foot attached garage. The home is of good quality (3+10) grade and is in normal condition. The site is 0.36 acres.

The Moreheads protested to the Board of Review regarding the 2012 assessment of \$239,000, which was allocated as follows: \$30,900 in land value and \$208,100 in improvement value. This is a change from the 2011 assessment. Their claim was based on the following grounds: 1) that the

assessment was not equitable as compared with the assessments of other like property Iowa Code section 441.37(1)(a)(1); and 2) that the property was assessed for more than the value authorized by law under section 441.37(1)(a)(2). They asserted the subject property's correct value was between \$200,000 and \$205,000. The Board of Review denied their claim, indicating that it found the assessment reasonable after inspection<sup>1</sup> of the property.

The Moreheads then appealed to this Board re-asserting their claims. They contend the correct value is \$221,000, allocated as \$20,000 in land value and \$201,000 in improvement value.

The Moreheads submitted property record cards for eight other properties in the area. All of the assessments of these properties went up in 2012, some more than others. These properties were not adjusted for grade, quality, or other differences. These properties are summarized below.

<b>Comparable</b>	<b>Address</b>	<b>Living Area</b>	<b>Assessment</b>		<b>% Increase</b>
			<b>2011</b>	<b>2012</b>	
Subject	806 Grant St	2136	\$209,700	\$239,000	13.97%
1	804 Grant St	2170	\$177,000	\$187,400	5.88%
2	802 Grant Ct	1882	\$221,000	\$221,600	0.27%
3	804 Grant Ct	2072	\$253,900	\$266,900	5.12%
4	803 Grant Ct	1837	\$221,200	\$225,200	1.81%
5	808 Grant St	2268	\$210,100	\$221,000	5.19%
6	809 Grant St	2083	\$183,600	\$217,400	18.41%
7	805 Grant Ct	2189	\$186,200	\$189,900	1.99%
8	807 Grant Ct	1680	\$162,500	\$172,200	5.97%

Of these comparables, only 807 Grant Court has sold. It was sold in December 2009 for a price of \$161,400. 807 Grant Court was built in 1995 and the subject property was built in 2003. We note the subject property has 450 square-feet more of living area, 104 square-feet more of garage space, and more deck/patio space than 807 Grant Court, as well as additional amenities. For a market value claim, without adjustments to account for these differences, we cannot determine if this sale price is

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<sup>1</sup> The appeal to this Board indicates that while the Board "stopped by" they did not enter the subject property.

reflective of the subject property's market value. Moreover, in this case, we do not find a 2009 sale persuasive evidence for a 2011 appeal.

The Board of Review provided an analysis completed by Jackson County Assessor Debra L. Lane. Lane analyzed the comparable properties the Moreheads submitted in their protest to the Board of Review, and adjusted them based on age, quality, and size. Lane did not conduct an analysis on 805 and 807 Grant Court because the addresses were not provided on the Notice of Appeal & Petition form to this Board. Lane summarized the analysis as follows:

<b><u>Comparable</u></b>	<b><u>Address</u></b>	<b><u>Adjustment</u></b>
Subject	806 Grant St	n/a
1	804 Grant St	\$51,599
2	802 Grant Ct	\$17,431
3	804 Grant Ct	-\$27,846
4	803 Grant Ct	\$13,886
5	808 Grant St	\$18,022
6	809 Grant St	\$21,667

Lane states that the positive adjustments to Comparables 1, 2, and 4-6 indicate the subject property is “superior to [the comparables] in size, quality of construction and/or amenities.” Ultimately, Lane believes this analysis indicates the subject property's \$239,000 assessment is consistent with other properties in the neighborhood.

Lane also completed a comparable sales analysis considering March 2011 to October 2012 sales of one-story frame houses in Maquoketa. The information is summarized below:

<u>Comparable</u>	<u>Address</u>	<u>TSFLA</u>	<u>Sale Date</u>	<u>Price</u>	<u>\$ per SF</u>	<u>Adjusted Sale Price</u>	<u>Adjusted \$ per SF</u>
Subject	806 Grant St	2136					
A	808 Timber Dr	1983	10/10/2012	\$225,000	\$113.46	\$236,294	\$119.16
B	1608 Timber Ct	2076	11/8/2011	\$218,000	\$105.01	\$250,242	\$120.54
C	508 Shoreline Dr	1657	9/26/2011	\$180,000	\$108.63	\$239,638	\$144.62
D	1809 Swagosa Dr	1468	4/10/2012	\$183,000	\$124.66	\$251,504	\$171.32
E	307 Rosemere Ln	1660	3/2/2011	\$165,500	\$99.70	\$237,692	\$143.19
F	1605 Swagosa Dr	1800	6/20/2012	\$168,000	\$93.33	\$242,054	\$134.47
G	715 Country Club Dr	1608	6/18/2012	\$160,000	\$99.50	\$239,919	\$149.20
H	803 Country Club Dr	1574	10/5/2012	\$155,000	\$98.48	\$237,711	\$151.02

In an appeal challenging the 2012 assessment, we do not find sales occurring well after January 1, 2012, as relevant to a determination of the subject property's value as of the assessment date.

Therefore, we only consider the three 2011 sales. The adjusted sale prices per-square foot of the 2011 sales range from \$120.54 to \$144.62. At \$111.89 per-square foot, the subject property's assessed value is below this range. Lane made adjustments based on cost information from the 2008 Iowa Real Property Appraisal Manual and while we do not believe cost adjustments are always reflective of market actions, this is the only evidence in the record regarding the market value.

Based on the foregoing, we find insufficient evidence has been provided to demonstrate the subject property is inequitably assessed or over-assessed.

### ***Conclusion of Law***

The Appeal Board has jurisdiction of this matter under Iowa Code sections 421.1A and 441.37A. This Board is an agency and the provisions of the Administrative Procedure Act apply. Iowa Code § 17A.2(1). This appeal is a contested case. § 441.37A(1)(b). The Appeal Board determines anew all questions arising before the Board of Review, but considers only those grounds presented to or considered by the Board of Review. §§ 441.37A(3)(a); 441.37A(1)(b). New or additional evidence may be introduced. *Id.* The Appeal Board considers the record as a whole and all

of the evidence regardless of who introduced it. § 441.37A(3)(a); *see also Hy-vee, Inc. v. Employment Appeal Bd.*, 710 N.W.2d 1, 3 (Iowa 2005). There is no presumption the assessed value is correct.

§ 441.37A(3)(a). However, the taxpayer has the burden of proof. § 441.21(3). This burden may be shifted; but even if it is not, the taxpayer may still prevail based on a preponderance of the evidence. *Id.*; *Richards v. Hardin County Bd. of Review*, 393 N.W.2d 148, 151 (Iowa 1986).

In Iowa, property is to be valued at its actual value. Iowa Code § 441.21(1)(a). Actual value is the property's fair and reasonable market value. § 441.21(1)(b). Market value essentially is defined as the value established in an arm's-length sale of the property. *Id.* Sale prices of the property or comparable properties in normal transactions are to be considered in arriving at market value. § 441.21(1)(b). If sales are not available to determine market value then "other factors," such as income and/or cost, may be considered. § 441.21(2). The property's assessed value shall be one hundred percent of its actual value. § 441.21(1)(a).

To prove inequity, a taxpayer may show that an assessor did not apply an assessing method uniformly to similarly situated or comparable properties. *Eagle Food Centers v. Bd. of Review of the City of Davenport*, 497 N.W.2d 860, 865 (Iowa 1993). Alternatively, a taxpayer may show the property is assessed higher proportionately than other like property using criteria set forth in *Maxwell v. Shivers*, 133 N.W.2d 709 (Iowa 1965). The six criteria include evidence showing

"(1) that there are several other properties within a reasonable area similar and comparable . . . (2) the amount of the assessments on those properties, (3) the actual value of the comparable properties, (4) the actual value of the [subject] property, (5) the assessment complained of, and (6) that by a comparison [the] property is assessed at a higher proportion of its actual value than the ratio existing between the assessed and the actual valuations of the similar and comparable properties, thus creating a discrimination."

*Id.* at 579-580. The *Maxwell* test provides that inequity exists when, after considering the actual and assessed values of comparable properties, the subject property is assessed at a higher proportion of this actual value. *Id.* The *Maxwell* test may have limited applicability now that current Iowa law requires

assessments to be at one hundred percent of market value. § 441.21(1). Nevertheless, in some rare instances, the test may be satisfied.

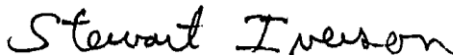
The Moreheads did not supply any evidence that the assessor applied an assessment method in a non-uniform manner to the subject property. Additionally, they did not provide evidence of their comparables' actual values, as shown by an appraisal or sales, for comparison with their assessed values. This evidence is required in order to conduct a sale-ratio analysis under *Maxwell*. For these reasons, we find that the Moreheads have failed to meet the evidentiary burden to succeed on their inequity claim.

In an appeal alleging the property is assessed for more than the value authorized by law under Iowa Code section 441.37(1)(a)(2), the taxpayer must show: 1) the assessment is excessive and 2) the subject property's correct value. *Boekeloo v. Bd. of Review of the City of Clinton*, 529 N.W.2d 275, 277 (Iowa 1995). The Moreheads provided evidence claiming the difference in assessments; however, that evidence is insufficient to show that the subject property's assessment is excessive or to prove its fair market value. The Moreheads supplied only one comparable (807 Grant Court) that was a sale, but did not make adjustments to its sale price to account for differences in size or other differences between it and the subject property. These adjustments are necessary in order to allow for accurate comparison of the properties. The Moreheads have failed to provide sufficient evidence establishing the subject property's correct value as of January 1, 2012.

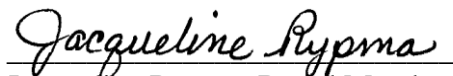
The Board of Review supplied evidence of three 2011 sales of properties in Maquoketa. Lane made adjustments to these properties and, after adjustment, these properties indicated a sale price per-square-foot between \$120.54 and \$144.62. The subject property's assessed value per-square foot is below this range, suggesting the subject's assessment is not excessive.

THE APPEAL BOARD ORDERS the assessment of Clifford Neil & Carolyn Ann Morehead's property located at 806 Grant Street, Maquoketa, Iowa of \$239,000 as of January 1, 2012, set by the Jackson County Board of Review, is affirmed.

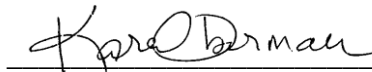
Dated this 14th day of March 2013.



Stewart Iverson, Presiding Officer



Jacqueline Rypma, Board Member



Karen Oberman, Board Member

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Certificate of Service

The undersigned certifies that the foregoing instrument was served upon all parties to the above cause & to each of the attorney(s) of record herein at their respective addresses disclosed on the pleadings on March 14, 2013.

By: ☒ U.S. Mail ☐ FAX  
☐ Hand Delivered ☐ Overnight Courier  
☐ Certified Mail ☐ Other



Signature \_\_\_\_\_